

# Cover Story



**Trevor Clark**  
Co-Head, Twin Brook Capital Partners  
Lender of the Year



Trevor Clark  
and team  
have built  
Twin Brook  
into a lending  
powerhouse,  
winning  
one of the

11TH  
ANNUAL  
MID-MARKET  
AWARDS

By Mary Kathleen Flynn, Demetri Diakantonis and Danielle Fugazy



**T**he companies and individuals honored by Mergers & Acquisitions' 11th Annual M&A Mid-Market Awards soared in 2017. Not only did they grow their businesses significantly, but they also led the way in innovation and thought leadership. Many of the winning firms forged new strategies for connecting the M&A community – and expanding membership in it – themes that took on more urgency than ever, as professionals in all industries challenged what had been business as usual.



## LENDER OF THE YEAR

# Twin Brook

Chicago's Twin Brook Capital Partners achieved tremendous growth in 2017, including doubling deal volume from the previous year, raising a second fund of \$2.3 billion, and building the three-year-old firm into a major source of loans in the lower middle market.

Founded in 2014, Twin Brook Capital Partners is the middle-market direct lending subsidiary of Angelo, Gordon & Co. The firm is led by co-heads Trevor Clark and Christopher Williams, who previously co-founded Madison Capital, a highly regarded middle-market lender. Clark and Williams have quickly built Twin Brook into a powerhouse of lower middle-market lending, closing 84 transactions worth \$2.4 billion in 2017 – twice the loan value of 2016. Twin Brook was the administrative agent on 87 percent of the new platforms closed in 2017, highlighting the strength of the firm's sponsor relationships in the lower middle market. This was particularly impressive given that this is only the firm's third year in business.

"The loans we closed in 2017 are consistent with our strategy of focusing on lower middle market sponsored transactions, spending most of our time working with companies between \$5 million and \$25 million of Ebitda," says Clark. The firm's average Ebitda size is around \$17

million, but ranges from \$4 million to \$100 million in instances where the company has grown through acquisition. "Our team has focused on providing flexible capital structures to support the growth strategies



of lower middle market borrowers. That's what our focus was when we launched, and that is our same focus in 2018."

Twin Brook's financing of Oracle Elevators was one of its most notable deals in 2017. Twin Brook led an \$80.5 million unitranche financing structure supporting L2's buyout of Oracle, an elevator service and maintenance company. Oracle was an existing portfolio company of Twin Brook, which exemplifies how Twin Brook has supported the organic and acquisition-related growth of its clients. Under Incline Equity Partners' ownership, Twin Brook recapped Oracle in 2015 and then backed L2's acquisition of the

company in May 2017.

"Oracle provides an excellent example of how we not only support the growth strategy of our private equity clients during their hold period of an investment, but how we can also follow these borrowers into the next generation of private equity ownership," says Clark.

Twin Brook also led a large syndicated transaction supporting Linden Capital Partner's buyout of Smile Doctors, an Orthodontic practice management company. Twin Brook supported the acquisition of over 20 practices by Smile Doctors under previous ownership helping the company grow its scale and geographic reach.

"We are an experienced group. We have continued to be active lenders through multiple credit cycles and we have focused on a very specific part of the market and penetrated it while many of our peers have moved up market. You are starting to see a shakeout in the industry, and manager selection does matter," says Clark. "In three years' time, the response we have received from investors has exceeded our expectations. We will try to continue to exceed their expectations."